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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

IN REPLY REFER TO:

JK-1200C

September 19, 1994

John F. Cooke, President
The Disney Channel
3800 West Alameda
Burbank, CA 91505

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REQUEST FOR INFORMATION

Dear Mr. Cooke

The Cable Services Bureau has determined that it would be useful to obtain additional information with respect to consideration of "going-forward" issues raised in petitions for reconsideration of the Commission's *Fourth Report and Order*, 59 Fed Reg. 17943 (April 15, 1994), and in comments on its *Fifth Notice of Proposed Rulemaking*, 59 Fed Reg. 18064 (April 15, 1994), in MM Docket No. 92-266 (Cable Rate Regulation). These issues concern, among other things, adjustments to capped rates for regulated cable service when programming services are added to, or deleted from, regulated tiers. Your answers to the following questions will assist the Commission in crafting regulations that will help assure the continued growth and success of cable operators and video programmers while also protecting subscribers.

1. What specific forms of monetary or non-monetary consideration, other than license fees, are involved in agreements for carriage of your programming services on cable systems?
 - a. Do these forms of consideration generally vary depending on whether the programming services are newly offered services, new to a system, or continuing on a system?
 - b. Do these forms of consideration generally vary depending on the size of the operator?
 - c. What specific obligations (e.g., promotional obligations) do you generally make as a programmer in carriage agreements?
 - d. What specific obligations do cable operators generally agree to undertake in carriage agreements?

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undertake in carriage agreements?

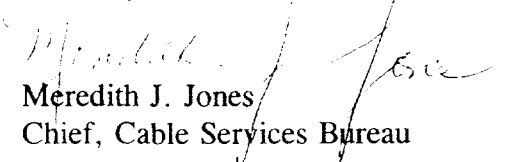
- e. What is the typical dollar amount value of each of the above forms of consideration?
2. How frequently do carriage agreements for your programming service require operators to carry programming on a regulated tier, provide for carriage exclusively on an a la carte basis, or give operators the option to carry your programming services on an a la carte basis?
 - a. Does this generally vary depending on whether the programming services are newly offered services, new to a system, or continuing on a system?
 - b. Does this generally vary depending on the size of the operator?
 - c. What other specific factors have been relevant to provisions for a la carte carriage?
3. Do carriage agreements for your programming services involve alteration of the terms of carriage for other programming services? If yes, please provide specific examples.
 - a. Do such terms generally vary depending on whether the programming services are newly offered services, new to a system, or continuing on a system?
 - b. Do such terms generally vary depending on the size of the operator?
 - c. What other specific factors have been relevant to such agreements?
4. Do carriage agreements for your programming involve any requirements or provisions for "bundling" of programming services, including programming you provide or other program services?
5. When contracting with a large MSO, do the terms for carriage generally apply to all systems owned by the MSO, or do the terms vary by particular system? If the terms vary, what specific factors are relevant to different carriage terms, either to the programmer or operator?
6. In what ways, if any, has the onset of rate regulation altered the terms of carriage for your programming services with cable operators or changed the requested terms of carriage?
7. Based on your experience, what specific incentives do you believe are necessary to encourage cable operators to carry additional and newly created

programming services? How can the Commission create such incentives through its rate regulations?

8. How should the Commission fashion regulations that will not create inappropriate incentives for operators to add or delete low-cost, or more expensive, programming services? Are specific incentives necessary to encourage operators to carry low-cost or no-cost programming services? How can the Commission create such incentives through its rate regulations?
9. What specific incentives are necessary to encourage programming vendors to develop new programming services? How can the Commission create such incentives through its rate regulations?
10. How should the Commission's going forward regulations govern the migration of programming services from regulated tiers to unregulated individual or package offerings?

In order to facilitate consideration of this information by the Commission in a timely fashion, you are requested to respond to this request by September 26, 1994. Your response to this letter is voluntary. Your response will be associated with the public file in MM Docket No. 92-266. The companies that the Cable Service Bureau has requested to respond to this letter were selected to represent a variety of programming interests. If you, or your staff, have any questions regarding this information request, please contact Kathy Wallman or Bill Johnson at 202-416-0856.

Sincerely,


Meredith J. Jones
Chief, Cable Services Bureau